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WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee and and not having a share capital)
(Registration No. 200602275E)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

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WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of (WWF-World Wide Fund for Nature (Singapore) Limited the "Company") for the financial year ended June 30, 2018.

In the opinion of the directors:

(a) the financial statements of the Company as set out on pages 6 to 30 are drawn up so as to give a true and fair view of the financial position of the Company as at June 30, 2018, and the financial performance, changes in funds and cash flows of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations"), and Financial Reporting Standards in Singapore ("FRSs");

(b) the use of donation moneys was in accordance with the objectives of the Company as required under Regulation 11 (use of donations) of the Charities (Institutions of a Public Character) Regulations;

(c) the Company has complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations and the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012; and

(d) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

(e) the accounting and other records required to be kept by the Company have been properly kept in accordance with the Act, the Charities Act and Regulations.

The Company was incorporated on February 20, 2006, and is limited by guarantee. In the event of winding up, the members of the Company guarantee to contribute a sum not exceeding $1 each to the assets of the Company.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Chan Ee Lin
Goh Hwee Cheng
Agarwal Achal
Shaw Chai Chung Markham
Lye Lin Heng
Koh Kok Hong Joseph (Appointed on July 18, 2017)
Maureen Saskia De Rooij (Appointed on July 18, 2017)

2 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the subscription to or acquisition of debentures of the Company or any other body corporate.

3 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

....

Koh Kok Hong Joseph

....

Lye Lin Heng

November 15, 2018

Deloitte.

Deloitte & Touche LLP
Unique Entity No. T08LL0721A
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

Tel: +65 6224 8288
Fax: +65 6538 6166
www.deloitte.com/sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of WWF-World Wide Fund For Nature (Singapore) Limited (the "Company") which comprise the statement of financial position of the Company as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 30.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at June 30, 2018 and of the financial performance, changes in the funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention to cause us to believe that during the year:

(a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations and the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

November 15, 2018

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

STATEMENT OF FINANCIAL POSITION
As at June 30, 2018

	Note	2018	2017
		$	$
ASSETS AND LIABILITY			
Current assets			
Cash and bank balances	6	5,655,463	7,543,341
Other receivables	7	2,092,092	1,196,315
Other current assets	8	666,988	268,499
Deposits	9	77,119	60,368
Inventories	10	83,498	54,523
Total current assets		8,575,160	9,123,046
Non-current asset			
Plant and equipment	11	527,413	514,319
Total assets		9,102,573	9,637,365
Current liability			
Trade and other payables	12	3,526,863	4,051,974
Net assets		5,575,710	5,585,391
FUNDS			
Restricted operating funds	13	939,926	539,846
Unrestricted operating funds	13	4,383,873	4,784,200
WWFS Conservation Fund	14	251,911	261,345
Total funds		5,575,710	5,585,391

See accompanying notes to financial statements.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended June 30, 2018

	Note	2018	2017
		$	$
INCOME	15	18,960,300	12,957,647
OPERATING EXPENDITURE:			
- Expense related to the donation in kind received	16	(1,871,950)	(1,083,267)
- Staff costs and staff related costs	16	(8,681,719)	(5,539,516)
- Professional fees		(681,712)	(588,906)
- Travel and meetings		(663,709)	(423,184)
- Communication and media		(501,252)	(521,676)
- Raising and outreach expenses		(2,306,472)	(2,111,235)
- Funds disbursed to donor specified global conservation programmes		(3,232,729)	(2,091,701)
- Grant to third parties		-	(7,017)
- Rental on operating leases	18	(212,431)	(186,839)
- Depreciation		(173,570)	(75,939)
- Repair and maintenance		(10,518)	(2,330)
- Telecommunications expenses		(90,987)	(75,249)
- Training expenses		(44,583)	(42,136)
- Others		(498,349)	(556,234)
Total expenditure		(18,969,981)	(13,305,229)
Deficit before income tax	16	(9,681)	(347,582)
Income tax	17	-	-
Net deficit, representing total comprehensive loss for the financial year		(9,681)	(347,582)

See accompanying notes to financial statements.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

STATEMENT OF CHANGES IN FUNDS
Year ended June 30, 2018

	Restricted operating funds	Unrestricted operating funds	WWFS Conservation Fund	Total
	$	$	$ (Note 14)	$
Balance at July 1, 2016	1,290,753	4,303,454	338,766	5,932,973
Net (deficit) surplus, representing total comprehensive (loss) income for the financial year	(750,907)	480,746	(77,421)	(347,582)
Balance at June 30, 2017	539,846	4,784,200	261,345	5,585,391
Net surplus (deficit), representing total comprehensive income (loss) for the financial year	400,080	(400,327)	(9,434)	(9,681)
Balance at June 30, 2018	939,926	4,383,873	251,911	5,575,710

See accompanying notes to financial statements.

WWF-WORLD WIDE FUND FOR NATURE (SINGAPORE) LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
Year ended June 30, 2018

	2018	2017
	$	$
Operating activities		
Deficit before income tax	(9,681)	(347,582)
Adjustments for:		
Depreciation	173,570	75,939
Plant and equipment written off	1,159	1,819
Write down of inventories to net realisable value	32,488	9,554
Operating cash flows before working capital changes	197,536	(260,270)
Other receivables and deposits	(912,528)	(715,147)
Other current assets	(398,489)	(29,709)
Inventories	(61,463)	(42,911)
Trade and other payables	(525,111)	1,885,448
Net cash (used in) from operating activities	(1,700,055)	837,411
Investing activity		
Purchase of plant and equipment, representing net cash used in investing activity	(187,823)	(489,481)
Financing activity		
Pledged deposits, representing net cash used in financing activity	(100,000)	-
Net (decrease) increase in cash and cash equivalents	(1,987,878)	347,930
Cash and cash equivalents at beginning of financial year	7,543,341	7,195,411
Cash and cash equivalents at end of financial year (Note 6)	5,555,463	7,543,341

See accompanying notes to financial statements.

1 GENERAL

The Company (Registration No. 200602275E) is incorporated and domiciled as a public company in Singapore limited by guarantee. The address of its registered office and principal place of business is at 354 Tanglin Road #02-11, Singapore 247672. The financial statements are expressed in Singapore dollars.

Under Article 8 of the Memorandum of Association of the Company, each member of the Company undertakes to contribute a sum not exceeding $1 to the assets of the Company in the event of it being wound up. The number of members at the end of the reporting period is 3 (2017 : 3). The Company has been registered as a charity under the Charities Act since March 10, 2006.

Included in the Company, is WWFS Conservation Fund which has been conferred with the status of Institution of a Public Character ("IPC") for a period of 2 years commencing January 1, 2008. The IPC status was renewed for another one and a half years commencing December 31, 2017.

The principal activities of the Company is to promote conservation awareness/programmes and coordinate and support regional conservation activities.

The financial statements of the Company for the financial year ended June 30, 2018 were authorised for issue by the Board of Directors on November 15, 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), the Singapore Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

ADOPTION OF NEW AND REVISED STANDARDS - On July 1, 2017, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not effective:

- FRS 109 *Financial Instruments*[1]
- FRS 115 *Revenue from Contracts with Customers (with clarifications issued)*[1]
- FRS 116 *Leases*[2]

1 Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

2 Applies to annual periods beginning on or after January 1, 2019, with early application permitted if FRS 115 is adopted.

Consequential amendments were also made to various standards as a result of these new/revised standards. Management has not opted for early application of FRS 116.

The management anticipates that the adoption of the above FRSs and amendments to FRS in future periods will have no material impact on the financial statements of the Company in the period of their initial adoption except for the following:

FRS 109 Financial Instruments

FRS 109 *Financial Instruments* issued in December 2014 replaces FRS 39 *Financial Instruments* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

Key requirements of FRS 109:

All recognised financial assets that are within the scope of FRS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at fair value through other comprehensive income ("FVTOCI"). All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under FRS 109, entities make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

With some exceptions, financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

Management is currently evaluating the potential impact of the FRS 109 on the financial statements of the Company.

FRS 115 *Revenue from Contracts with Customers*

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Amendments to FRS 115 was issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also include two additional transition reliefs on contract modifications and completed contracts.

Management currently does not expect the application of these amendments to FRS 115 to have a significant impact on the financial statements of the Company in the period of initial application. However, additional disclosures may be required.

FRS 116 *Leases*

FRS 116 was issued in June 2016 and it will supersede FRS 17 *Leases* and its associated interpretative guidance.

The standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Upon adoption of FRS 116, all non-cancellable lease obligations other than those which fall within the above exceptions, will be recognised as liabilities concurrently with the recognition of right of use of assets in the Company's statement of financial position. Note 18 provides information on the non-cancellable lease obligations existing at June 30, 2018.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

<u>Effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

Financial assets

Cash and bank balances

Cash and bank balances comprise cash on hand, fixed deposits and bank balances and are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Other receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market, are initially measured at fair value plus transaction costs, and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Classification as debt

Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Software in the course of construction for administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees. Depreciation of these assets, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Office equipment	-	5 years
Furniture and fixtures	-	5 years
Leasehold improvements	-	5 years
Computer equipment and software	-	3 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS - Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured based on the fair value of consideration received or receivable (in cash or in kind).

When a donation in kind (goods or services) is received, the fair value of the consideration received is estimated to be the price that the Company would have paid in the open market for an equivalent item. Where a donation in kind that cannot be capitalised is recognised, an equivalent amount is included as expenditure in the statement of profit or loss and other comprehensive income. Where a donation in kind refers to donation of assets, an equivalent amount is recognised as cost of plant and equipment in the statement of financial position to be depreciated over their estimated useful lives, or other assets as appropriate.

Income from related parties and companies are recognised when services are rendered.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants relating to approved projects are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they become receivable.

INTEREST INCOME - Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

INCOME TAX - The Company is an organisation set up only for charitable purposes, and is registered with the Commissioner of Charities under the Charities Act (Cap. 37). The Company is exempt from income tax under the Singapore Income Tax Act.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the Company are presented in Singapore dollars, the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit and loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Company's accounting policies

Management is of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

<u>Allowance for doubtful debts</u>

The policy for allowance for bad and doubtful debts of the Company is based on the evaluation of collectability and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, the past collection history and on-going dealings with these parties. If the financial conditions of the counterparties were to deteriorate, resulting in an impairment of their ability to make payments, allowances may be required. The management is of the view that there is no doubtful debt allowance required as at year end.

The carrying amount of other receivables from related companies is disclosed in Note 7 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2018	2017
	$	$
Financial assets		
Loans and receivables (including cash and cash equivalents)	7,824,674	8,800,024
Financial liability		
Amortised cost	1,212,741	1,466,437

(b) Financial risk management policies and objectives

Risk management is carried out under policies approved by the Board of Directors. The Board provides principles for overall risk management as well as policies covering specific areas, such as foreign exchange risk and liquidity risk. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(i) Foreign exchange risk management

The Company's foreign exchange risk arose mainly from the exchange rate movement of the United States Dollars ("USD") and Swiss Franc ("CHF").The exposure is managed through the timing of receipts and payments as negotiated with the related parties and companies since funding received and programme funding provided, are mainly from/to related parties and companies.

The carrying amounts of monetary assets and monetary liabilities denominated in currencies other than Singapore dollars at the respective year end are as follows:

	Assets		Liabilities	
	2018	2017	2018	2017
	$	$	$	$
United States Dollars	556,053	314,167	1,001,838	245,126
Swiss Franc	905,513	-	20,181	13,086

Foreign currency sensitivity

The following table details the Company's sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency ("SGD"), with all the other variables held constant. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

At the end of the reporting period, if the relevant foreign currency strengthens/weakens by 10% against the Singapore Dollars, surplus before tax will increase (decrease) by:

	Strengthen		Weaken	
	2018	2017	2018	2017
	$	$	$	$
United States Dollars	22,142	6,904	(22,142)	(6,904)
Swiss Franc	(88,533)	(1,309)	88,533	1,309

(ii) Interest rate risk management

The Company is exposed to interest rate risk through the impact of interest rates changes on interest-earning cash and fixed deposits. The Company does not have any significant interest-bearing financial liabilities and financial assets. No sensitivity analysis is prepared as the Company does not expect any material effect on the Company's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(iii) Credit risk management

The Company places its cash and bank balances with reputable institutions and an amount of $733,155 (2017 : $937,742) is placed in trust with an outsourced accounting service provider.

The maximum credit risk that the Company is exposed to is represented by the carrying amounts of its financial assets as stated in the statement of financial position. Management is of the view that no allowance for doubtful debts is required as these receivables are recoverable.

(iv) Liquidity risk management

The Company adopts prudent liquidity risk management by monitoring its projected and actual cash inflows and outflows to ensure that its funding needs are identified and managed in advance. The Company maintains sufficient cash deemed adequate to finance its operations. The Company has no financial liabilities which mature later than one year from the end of the reporting period.

(v) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables approximate their respective fair values due to the relatively short-term nature of the financial assets and liabilities.

(c) Capital risk management policies and objectives

The Company is not subject to any externally imposed capital requirements and its operations are funded mainly by donations. The capital structure of the Company comprises restricted operating funds, unrestricted operating funds and WWFS Conservation Fund. The Company's overall strategy remains unchanged from 2017.

It is the policy of the Company to maintain a level of unrestricted operating funds of approximately 6 months of its monthly management and administrative costs to ensure that the Company's operational activities could continue during a period of unforeseen difficulty. The management and directors monitor the Company's reserves level regularly on an ongoing basis.

5 RELATED PARTY TRANSACTIONS

At the end of the reporting period, the members of the Company are:

- World Wide Fund for Nature (Incorporated in Switzerland), known as WWF International
- Peter Scott Wildlife Endowment Foundation
- Mr Christopher John Hails

Related companies are entities under common control of World Wide Fund for Nature.

Other related parties are National Organisations ("NO") which are part of the WWF network. Some of the NOs have members on the Board of WWF International. WWF International has agreed with the NOs to serve them and to be supported by them, as their effective central instrument to define fundamental WWF network policy, unite the WWF network, coordinate the WWF network activities and provide the WWF network with all appropriate services. Other related parties also comprise companies which are controlled by a person or a close member of that person's family who has significant influence over the Company.

WWFS CONSERVATION FUND - It is not the normal practice for the trustees, or people connected with them, to receive remuneration, or other benefits, from the WWFS Conservation Fund for which they are responsible, or from institutions connected with the WWFS Conservation Fund. The Chief Executive Officer and the direct reporting senior officers of the Company have employment relationships with the Company and have received remuneration in those capacities.

As a normal practice and for avoidance of any conflicts of interests, trustees make their declaration of interests as necessary at each Trustee meeting of WWFS Conservation Fund conducted during the financial year. The key management personnel carry out their daily duties independently from the trustees.

Some of the Company's significant transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected below in these financial statements other than those disclosed elsewhere in the financial statements.

	2018	2017
	$	$
Income from the supporting organization:		
- WWF International	(5,143,341)	(3,267,180)
Expenses paid to supporting organization:		
- WWF International	-	50
Income from related parties	(2,444,877)	(1,589,203)
Shared services cost recovery from a related company	-	(41,667)
Funds disbursed to donor specified global conservation programmes:		
- Related parties	1,003,267	1,711,020
- Related companies	2,229,461	380,681
	3,232,729	2,091,701
Expenses paid to related parties	1,468	6,911
Payments on behalf of:		
- Related parties	-	1,012
- Related companies	902	611,032
- WWF International	50,809	61,540
	51,711	673,584
Payments on behalf by:		
- Related parties	-	7,514
- Related companies	-	990
	-	8,504

6 CASH AND CASH EQUIVALENTS

	2018	2017
	$	$
Cash at bank and on hand	3,052,053	5,054,607
Fixed deposits	2,603,410	2,488,734
	5,655,463	7,543,341
Less: Pledged fixed deposits	(100,000)	-
Cash and cash equivalents in the statement of cash flows	5,555,463	7,543,341

Cash amounting to $733,155 (2017 : $937,742) was placed in trust with an outsourced accounting service provider.

Fixed deposits bear an interest rate of 0.2% to 1.3% (2017 : 0.2% to 1.1%) per annum for a tenure of 3 to 6 months (2017 : 3 to 6 months). The pledged deposit is used as security for credit facilities provided by a bank.

Included above is the following amount pertaining to WWFS Conservation Fund:

	2018	2017
	$	$
Cash at bank	421,305	1,066,649

7 OTHER RECEIVABLES

	2018	2017
	$	$
Other receivables from related companies (Note 5)	1,337,167	386,068
Staff travel advances	27,300	12,250
Other receivables	130,492	156,337
Government grant receivable	597,133	641,660
	2,092,092	1,196,315

The following amount pertains to the WWFS Conservation Fund:

	2018	2017
	$	$
Other receivables	12,271	90,000

The trade and other receivables are not past due and the Company has not recognised any allowance on these receivables as management has assessed that these receivables are recoverable as there is no change in creditworthiness of these parties.

8 OTHER CURRENT ASSETS

	2018	2017
	$	$
Prepayments	46,262	105,993
Advance funding to global conservation programmes	620,726	162,506
	666,988	268,499

The following amounts pertains to the WWFS Conservation Fund:

	2018	2017
	$	$
Prepayments	3,762	4,177

9 DEPOSITS

	2018	2017
	$	$
Refundable deposits	77,119	60,368

10 INVENTORIES

	2018	2017
	$	$
Merchandise	83,498	54,523

The cost of inventories recognised as an expense includes $32,488 (2017 : $9,554) in respect of write-downs of inventory to net realisable value.

11 PLANT AND EQUIPMENT

	Office equipment	Furniture and fixtures	Leasehold improvements	Computer equipment	Computer software	Software under development	Total
	$	$	$	$	$	$	$
Cost							
At July 1, 2016	31,882	68,512	88,190	172,753	40,430	49,778	451,545
Additions	7,588	83,449	303,935	62,536	-	31,973	489,481
Written off	(4,282)	(54,158)	(36,622)	(18,649)	-	-	(113,711)
At June 30, 2017	35,188	97,803	355,503	216,640	40,430	81,751	827,315
Additions	3,606	12,472	49,276	122,469	-	-	187,823
Written off	-	-	-	(1,461)	-	-	(1,461)
Reclassification	-	-	-	-	81,751	(81,751)	-
At June 30, 2018	38,794	110,275	404,779	337,648	122,181	81,751	1,013,677
Accumulated depreciation							
At July 1, 2016	24,177	63,469	83,813	137,194	40,296	-	348,949
Depreciation	3,397	10,497	32,097	29,841	107	-	75,939
Written off	(3,687)	(52,934)	(36,622)	(18,649)	-	-	(111,892)
At June 30, 2017	23,887	21,032	79,288	148,386	40,403	-	312,996
Depreciation	3,670	17,403	61,311	54,825	36,361	-	173,570
Written off	-	-	-	(302)	-	-	(302)
Reclassification	-	-	-	-	-	-	-
At June 30, 2018	27,557	38,435	140,599	202,909	76,764	-	486,264
Carrying amount							
At June 30, 2018	11,237	71,840	264,180	134,739	45,417	-	527,413
At June 30, 2017	11,301	76,771	276,215	68,254	27	81,751	514,319

12 TRADE AND OTHER PAYABLES

	2018	2017
	$	$
Trade creditors	164,984	327,609
Other creditors	49,293	21,118
Income from related companies received in advance (Note 5)	1,417,829	2,293,871
Payable to related companies (Note 5)	66,749	56,437
Payable to related party (Note 5)	122,617	202,943
Accrued expenses	747,403	806,958
Donations received in advance	896,293	291,666
Provision for annual leave	61,695	51,372
	3,526,863	4,051,974

The above balances include the following amounts which pertains to the WWFS Conservation Fund:

	2018	2017
	$	$
Accrued expenses	8,482	57,288
Donations received in advance	9,405	45,891

Liabilities for amounts payable are normally settled on 30 to 60 days (2017 : 30 to 60 days) credit terms.

In the stand-alone statement of financial position of the WWFS Conservation Fund, there is a balance due to WWF Singapore of $174,317 (2017 : $808,431).

13 OPERATING FUNDS

The Company's Memorandum of Association provides that no portion of the income and property of the Company shall be paid by way of dividend, bonus or otherwise to the members of the Company.

Restricted operating funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to that fund, is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

Unrestricted operating funds

Fund balances which are not restricted internally or by outside sources are termed as unrestricted funds. Management retains full control over the use of unrestricted funds in achieving any of its institutional purposes.

14 WWFS CONSERVATION FUND

The WWFS Conservation Fund ("Fund") is an Institution of a Public Character ("IPC") which enables donors to enjoy tax deductions. Donations collected by the Fund are restricted in use. A separate independent board of trustees provides oversight for the Fund. The WWFS Conservation Fund is to be utilised only for the following objectives:

(a) the conservation of the natural environment and ecological processes in Singapore; and/or

(b) to promote awareness of conservation efforts in relation to the conservation of the natural environment and ecological processes, such that by any means they will benefit the Singapore community.

Expenditure incurred during the financial year for the above objectives are as follows:

	2018	2017
	$	$
Expenses for charitable activities:		
- Outreach and awareness projects expenses	761,376	768,494
- Expense related to the donation in kind received	1,871,950	1,062,019
Other administrative expenses	12,455	17,188
Management fee billed by WWF Singapore*	383,629	267,654
Total expenditure incurred for WWFS Conservation Fund's activities	3,029,410	2,115,355

* The activities and consequently accounting records of the WWFS Conservation Fund have to be segregated from the other activities of the Company as it is a restricted fund, as described above. The management fee billed to WWFS Conservation Fund represents a recovery of shared costs and expenses.

Movement in the WWFS Conservation Fund is as follows:

	2018	2017
	$	$
Balance at the beginning of the financial year	261,345	338,766
Add:		
Donations and collections	167,395	801,901
Donation in kind (Note 16) #	1,871,950	1,062,019
Income from related parties (Note 5)	4,935	13,099
Others	2,605	100
Total income	2,046,885	1,877,119
Less: Expenditure	(3,029,410)	(2,115,355)
Add: Transfer from restricted operating fund	973,091	160,815
Net movement for the financial year	(9,434)	(77,421)
Balance at the end of the financial year	251,911	261,345

Donation in kind is recognised in accordance with the accounting policies on revenue recognition (see Note 2)

Of the total donations received (excluding donation in kind) during the financial year, $129,800 (2017 : $548,251) were tax deductible donations received.

15 INCOME

	2018	2017
	$	$
Revenue		
Donations and collections	1,242,398	723,118
Direct donors debit program	7,407,032	4,853,478
Donation in kind (Note 16)	-	21,248
Revenue for WWFS Conservation Fund (Note 14)	2,046,885	1,877,119
Total revenue	10,696,315	7,474,963
Other income		
Income from related parties and companies (Note 5)	7,588,218	4,843,284
Government Grant	605,618	591,660
Other income	70,149	47,740
Total other income	8,263,985	5,482,684
Total income	18,960,300	12,957,647

16 DEFICIT BEFORE INCOME TAX

	2018	2017
	$	$
Deficit before income tax include:		
- Bank charges*	24,157	23,853
- Plant and equipment expensed off*	70,881	117,836
- Foreign exchange (loss) gain - net	(32,020)	23,010
- Costs of temporary workers*	181,714	179,135
- Cost of merchandise sold *	55,663	6,418
Staff costs (other than directors):		
- Salaries and related costs	7,757,815	4,946,028
- Defined contribution plans	686,116	424,136
- Other benefits	146,317	85,884
- Other staff-related costs	91,471	83,468
	8,681,719	5,539,516

* Included in "Others" in the statement of profit or loss and other comprehensive income

Donation in kind

No cash was received for the donation in kind. Out of the total amount, $1,871,950 (2017 : $1,083,267) has an equivalent expense amount shown under the "expenditure" section.

Compensation of key management personnel (related party transactions)

The remuneration of key management personnel during the year is as follows:

	2018	2017
	$	$
Salaries and other short-term employee benefits	236,977	200,193
Post-employment benefits - contribution to CPF	17,341	17,692
	254,318	217,885

There was no compensation paid by the Company to the directors of the Company.

17 INCOME TAX

The Company is exempt from tax (Note 2).

18 OPERATING LEASE ARRANGEMENTS

	2018	2017
	$	$
Minimum lease payments under operating lease:		
Recognised as an expense during the year	212,431	186,839

As at the end of the reporting period, the Company has outstanding commitments under non-cancellable operating leases which fall due as follows:

	2018	2017
	$	$
Within 1 year	128,290	174,547
Between 2 to 5 years	76,268	109,497
	204,558	284,044

Operating lease payments represent rentals payable for office premises and photocopiers. Leases are negotiated and fixed for an average term of two years.